

Primary care disruptors boast ultra-transparent prices—but the threat of CVS still looms

Article

The news: Carbon Health is launching a new diabetes management program. It will include continuous glucose monitoring (CGM) devices and access to in-person and virtual care teams.

- The new program signifies the full integration of **Steady Health**, a virtual diabetes vendor Carbon Health scooped up last year.

Why it's worth watching: Virtual diabetes programs have a massive consumer audience to market their tech.

- **11% (34 million)** of the US population has diabetes, [according to](#) the CDC.
- And that number is growing. There are **1.5 million new cases of diabetes every year** in the US alone, [per](#) the American Diabetes Association.

Health consumers are more willing to digitally manage their diabetes than any other health condition.

- **64% of US adults use digital methods (like CGMs, apps) to track their blood sugar levels**, [per](#) Rock Health.
- This is far higher than the percentage of consumers who digitally monitor their **blood pressure (54%)** and **medications (34%)**.

Zooming out: Primary care disruptors like Carbon Health appeal to consumers with ultra-transparent pricing. Cost is difficult to determine before a traditional health visit.

Carbon Health lists the cost of in-person visits, medication, wound care, and orthopedic devices.

- **56% of consumers say healthcare costs have risen** over the past five years, [according to](#) Cedar's 2021 Healthcare Consumer Experience Study.
- And most are frustrated with the lack of transparency from their insurers. **59% find it difficult to reconcile a bill issue with their insurer**, per Cedar.

The bigger picture: Retail giants like **CVS** and **Walgreens** also offer ultra-transparent pricing strategies. So, competition will be fierce among primary care entrants.

For example, CVS lists prices on its site for various visits, including chronic condition evaluations.

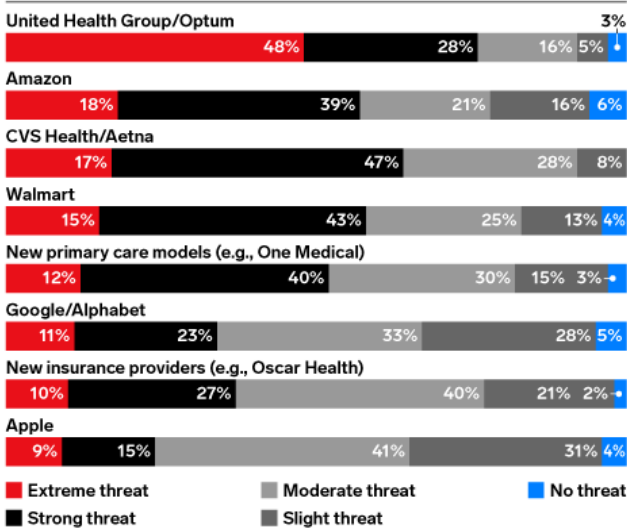
- **Most CVS visits cost around \$99 to \$139.** That's the same price as **Carbon Health (\$69 to \$145).**

Since primary care entrants and retail entrants are offering similar prices, it's likely consumers will go to the clinic that's nearest to them.

- Retail giants have massive geographic footprints. This could make it difficult for primary care startups to keep customers.
- And CVS is scaling its clinic over the next few years, making it a growing threat.
- **CVS plans to close 10% of its US locations.** It will transform the remaining stores into primary care offices with services like diagnostic testing, mental health services, and hearing exams.

Degree of Competitive Threat Posed by Select Companies to US Hospitals and Health Systems According to US Health Executives, Summer 2021

% of respondents



Note: over the next five years
 Source: Kaufman Hall, "State of Consumerism in Healthcare 2021: Regaining Momentum," Sep 8, 2021

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